

Bureau of Land Management, Roswell Field Office
Categorical Exclusion Checklist
NEPA # DOI-BLM-P010-2009-47-CX
Medlin Federal Com 8 #1H

Resources	Not Present on Site	No Impacts	May Be Impacts	Mitigation Included	BLM Reviewer	Date
Watershed			X	X	/s/ Michael McGee	1/29/09
Water Quality - Surface			X	X		
Water Quality - Ground			X	X		
Cultural	X				/s/Rebecca L. Hill 09-R-039A 09-R-038A	20Jan2009
Rights-of-Way		X			/s/ Sanderford	1/14/09
Invasive, Non-native Species			X	X	/s/ Kyle Arnold	1/29/2009
Threatened or Endangered Species	X				/s/ Randy Howard	1/27/2009
Special Status Species	X					
Wastes, Hazardous or Solid	X				EPS/NRS /s/ Brian Novosak	01/09/2009
Public Health and Safety		X				

Categorical Exclusion Documentation
DOI-BLM-P010-2009-47-CX
Medlin Federal Com 8 #1H

A. Background

Roswell Field Office

Applicant: Marshall and Winston Inc.
PO Box 50880
Midland, TX 79710

Lease No.: NMLC-062524A

Action Type: APD

Well Name: Medlin Federal Com 8 #1-H

Location: Surface: 1980' FSL & 330' FWL, Sec. 8, T15S-R37E,
Bottom: 1980' FSL & 330' FEL, Sec. 8, T15S-R37E,
NMPM., Chaves County, New Mexico.

Description of Proposed Action: The applicant proposes to drill an oil well at TVD 9100' feet using a 'closed loop' system accessing the federal minerals. This will require a 300' x 350' pad with 1020' x 30' of access road; both on private surface aggregating approximately 3.11 acres of surface disturbance. A FLPMA right-of-way for an access road is required and has been serialized as NM-121827. NM-121827 lies wholly within an existing ROW NM-121088. The off-lease ROW is fully constructed. No new surface disturbance will occur.

B. Land Use Plan Conformance

Land Use Plan Name: 1997 Roswell Resource Management Plan Amended by the 2008 Special Status Species RMPA

The proposed action conforms to 1997 Roswell RMP, as amended. The proposed action is in conformance with the applicable LUP because it is specifically provided for in the following LUP decisions:

Minerals Management, Fluid Minerals Goal: *Provide for the leasing, exploration and development of oil and gas resources within the Roswell Resource Area.*

Lands and Realty Management Goal: *"Manage the public lands to support the goals, and objectives of other resource programs, to respond to public demand for land use authorizations, . . ."*

C. Compliance with the NEPA

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with Section 390 of the Energy Policy Act of 2005, and 156 DM 11.9, E-12.

3. *Drilling an oil or gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) year prior to the date of spudding the well.*

E-12 "Grants of right-of-way wholly within the boundaries of other compatibly developed rights-of-way."

The extraordinary circumstances at 516 DM 2, Appendix 2 are not applicable to the proposed action.

NEPA Document: RFO EA #: NM-510-2008-140

Date Approved: 24-Oct-2008

D: Signatures

Prepared by:

/s/ Brian Novosak

02/02/2009

Date

Brian Novosak, Surface Protection

Approved by:

/s/ Jerry Dutchover

02/05/2009

Date

For Angel Mayes, Assistant Field Manager, Lands & Minerals

DECISION for DOI-BLM-P010-2009-47-CX

The proposed action is in conformance with the 1997 Roswell Resource Management Plan 1997, as amended, and conforms to the land-use planning terms and conditions required under 43 CFR 1610.5. This action does not conflict with existing county land-use planning or zoning.

Administrative Review and Appeal: Under BLM regulations, this Decision Record (DR) is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of this DR must include information required under 43 CFR 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, 1474 Rodeo Road, Santa Fe, NM 87505, no later than 20 business days after this DR is received or considered to have been received.

Any party who is adversely affected by the State Director's decision may appeal that decision to the Interior Board of Land Appeals, as provided in 43 CFR 3165.4.

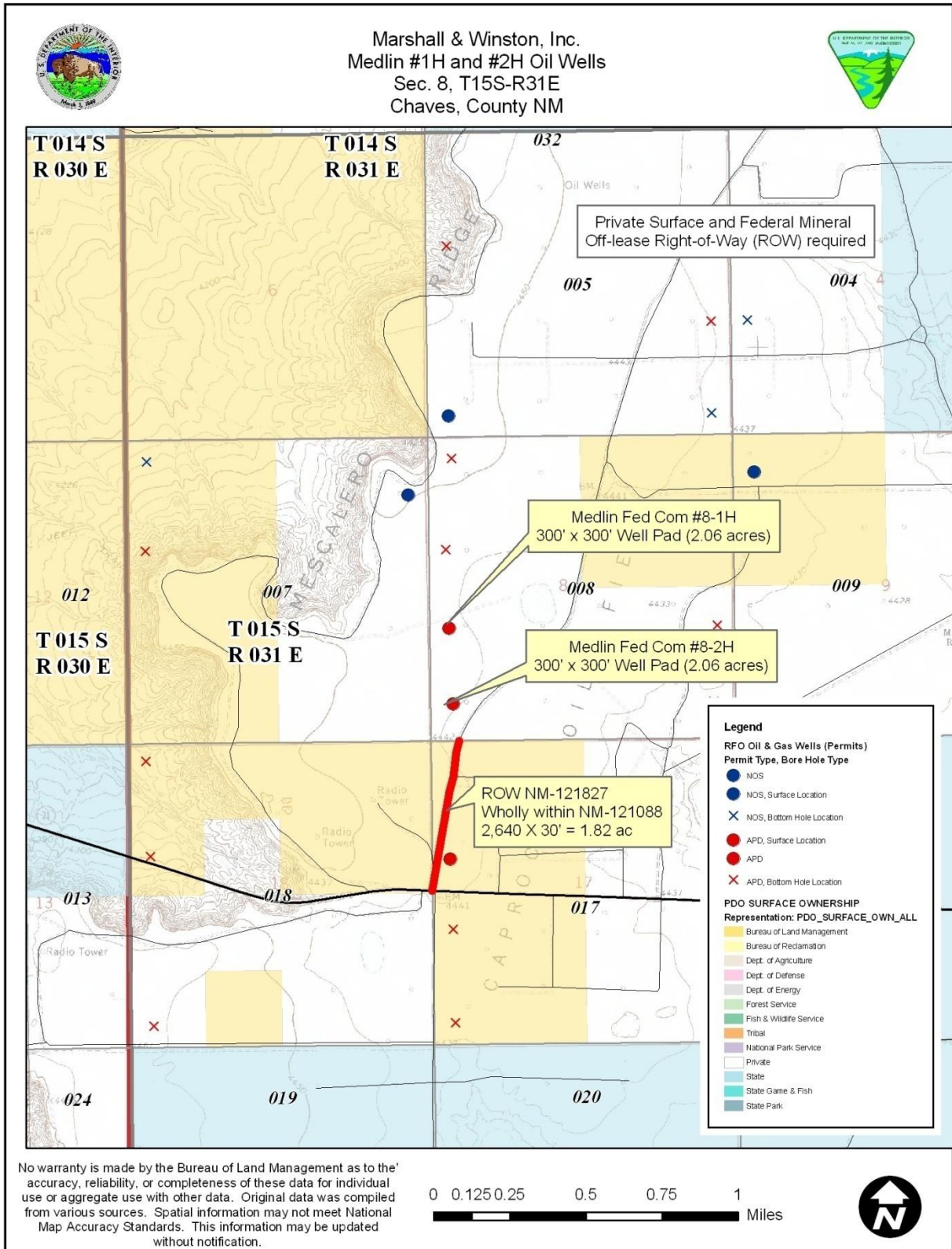
/s/ Jerry Dutchover

02/05/2009

Date

For Angel Mayes, Assistant Field Manager, Lands & Minerals

General Location Map



**PECOS DISTRICT - RFO
CONDITIONS OF APPROVAL**

February 5, 2009

Applicant: Marshall and Winston Inc.
Lease No.: NMLC-062524A
Well Name: Medlin Federal Com 8 #1-H
Surface Hole: 1980' FSL & 330' FWL,
Bottom Hole: 1980' FSL & 330' FEL,
Location: Sec. 8, T15S-R37E,
Chaves County, New Mexico, NMPM.

GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

I. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD (Filing of a Sundry Notice is required for this 60 day extension).

II. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

III. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations (access road and/or well pad). Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

IV. CONSTRUCTION

A. NOTIFICATION:

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Roswell Field Office at (505) 627-0247 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved Application for Permit to Drill and Conditions of Approval on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL:

The topsoil will be stripped to approximately 6 inches in depth within the area designated for construction of the well pad. The operator shall stockpile the stripped topsoil on the side of the well pad. The topsoil will be used for interim and final reclamation of the surface disturbance created by the construction of the well pad.

C. CLOSED SYSTEMS OR STEEL TANKS: No reserve pit will be used.

D. FEDERAL MINERAL MATERIALS PIT:

If the operator elects to surface the access road and/or well pad, payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Roswell Field Office at (505) 627-0236.

E. WELL PAD SURFACING:

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational need.

F. ON LEASE ACCESS ROADS:

Road Egress and Ingress

The on lease access road shall be constructed to access the corner of the well pad.

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

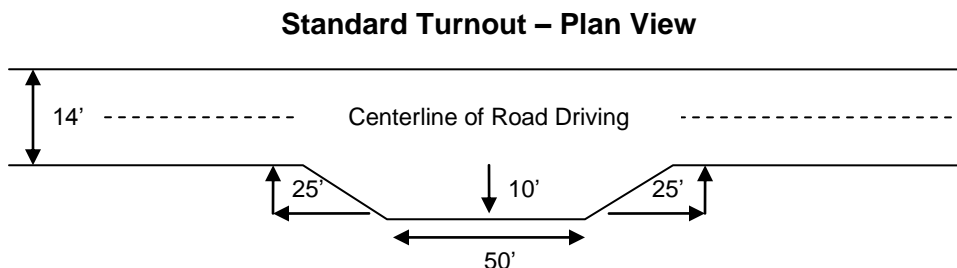
The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Turnouts

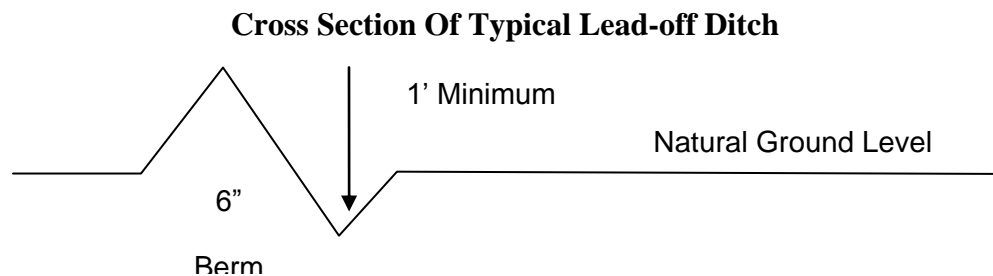
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:



Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula For Spacing Interval Of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

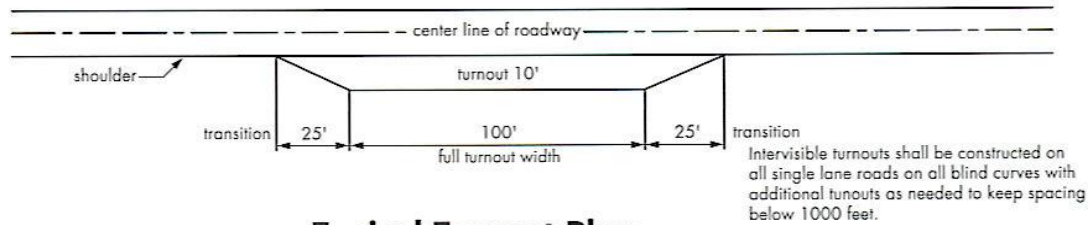
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

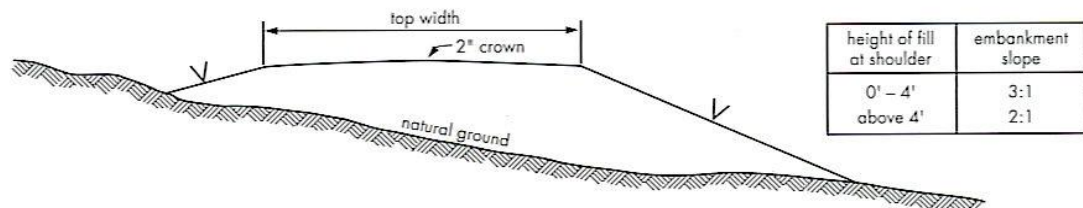
Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

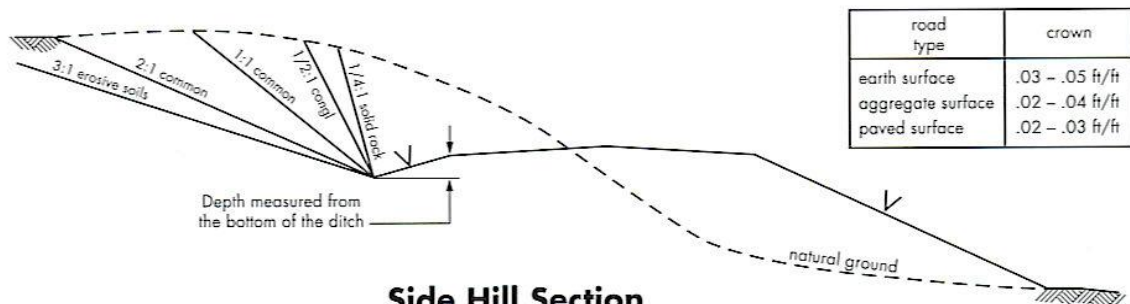
Figure 1 – Cross Sections and Plans For Typical Road Sections



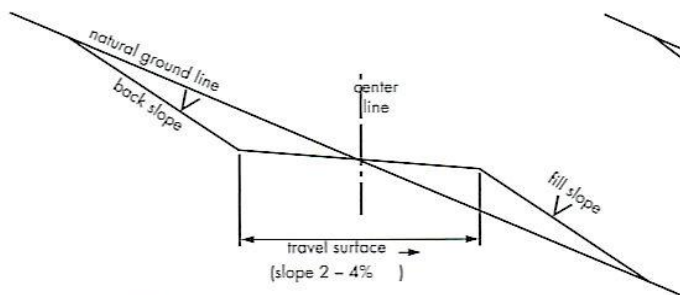
Typical Turnout Plan



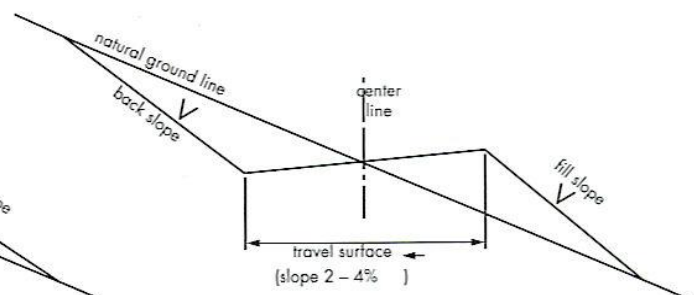
Embankment Section



Side Hill Section



Typical Outsloped Section



Typical Insloped Section

V. DRILLING

DRILLING OPERATIONS REQUIREMENTS

1. Call the Roswell Field Office, 2909 West Second St., Roswell, NM 88201. During office hours call (575) 627-0205 or after office hours call (575) 910-6024. Engineer on call during office hours call (575) 627-0275 or after office hours call (575) 626-5749.
2. The BLM is to be notified a minimum of 24 hours in advance for a representative to witness:
 - a. Spudding well
 - b. Setting and/or Cementing of all casing strings

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

BOPE Tests

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
4. Include the API Number assigned to well by NMOCD on the subsequent report of setting the first casing string.
5. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.
6. The operator will accurately measure the drilling rate in ft/min to set the base of the usable water protection casing string(s) opposite competent rock. The record of the drilling rate along with the caliper-gamma ray-neutron well log run to surface will be submitted to this office as well as all other logs run on the borehole 30 days from completion
7. Air, air-mist or fresh water and non toxic drilling mud shall be used to drill to the base of the usable water protection casing string(s). Any polymers used will be water based and non-toxic.

B. CASING

1. The 8 5/8 inch usable water protection casing string(s) shall be set at approximately 340 feet in competent bedrock.

If not the operator is required to set usable water protecting casing in the next thick competent bedding (i.e. 15 to 25 ft or greater) encountered and cemented to the surface.

- a. If cement does not circulate to the surface, the Roswell Field Office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin or 500 pounds compression strength, whichever is greater. (This is to include the lead cement).

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.

d. If cement falls back, remedial action will be done prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is sufficient to circulate to the surface. If cement does not circulate see B.1.a-d above.

3. The minimum required fill of cement behind the 7 inch production casing is sufficient to tie back 500 feet above the uppermost perforation in the pay zone. If cement does not circulate, a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

4. There is no required fill of cement behind the 4-1/2 inch production casing since a Peak Systems Iso-Pak liner will be used for lateral and will not require cementing.

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL:

1. Before drilling below the 13-3/8 inch surface casing shoe, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve. Before drilling below the 9-5/8 inch intermediate casing shoe, the blowout preventer assembly shall consist of a minimum of One Annular Preventer, Two Ram-Type Preventers, and a Kelly Cock/Stabbing Valve.

2. Before drilling below the 13-3/8 inch surface casing shoe, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi. Before drilling below the 9-5/8 inch intermediate casing shoe, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

3. The BOPE shall be installed before drilling below the 13-3/8 inch surface casing and the 9-5/8 inch intermediate casing and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

a. The BLM Roswell Field office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

b. The tests shall be done by an independent service company.

c. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

d. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201.

e. Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.

e. Testing must be done in a safe workman like manner. Hard line connections shall be required.

VI. PRODUCTION

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, Juniper Green (Standard Environmental Color Chart June 2008).

VRM Facility Requirement – VRM Class IV

Low-profile tanks not greater than eight-feet-high shall be used.

VII. INTERIM RECLAMATION

Earthwork for interim and final reclamation must be completed within 6 months of well completion or well plugging (weather permitting).

During the life of the development, all disturbed areas not needed for active support of production operations should undergo “interim” reclamation in order to minimize the environmental impacts of development on other resources and uses.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used in road repairs, fire walls or for building other roads and locations. In addition, in order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

SEED MIX FOR Loamy, SD-3 Ecological Site Loamy CP-2 Gyp Upland CP-2		
Common Name and Preferred Variety	Scientific Name	Pounds of Pure Live Seed Per Acre
Blue grama,	(<i>Bouteloua gracilis</i>)	4.0
Sideoats grama,	(<i>Bouteloua curtipendula</i>)	1.0
Sand dropseed	(<i>Sporobolus cryptandrus</i>)	0.5
Vine mesquite	(<i>Panicum obtusum</i>)	1.0
Plains bristlegrass	(<i>Setaria macrostachya</i>)	1.0
Indian blanketflower	(<i>Gaillardia aristata</i>)	0.5
Desert or Scarlet	(<i>Sphaeralcea ambigua</i>)	1.0
Globemallow	or (<i>S. coccinea</i>)	
Annual sunflower	(<i>Helianthus annuus</i>)	<u>0.75</u>
TOTAL POUNDS PURE LIVE SEED(pls) PER ACRE		9.75
Certified Weed Free Seed		
If one species is not available, increase ALL others proportionately.		
Use No Less than 4 species, including one forb.		
No less than 9.75 pounds pls per acre shall be applied		

C. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.

Upon abandonment of the well, all casing shall be cut-off at the base of the cellar or 3-feet below final restored ground level (whichever is deeper). A 4-inch pipe, 10 feet in length, shall be installed 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

Surface Reclamation must be completed within 6 months of well plugging. If the operator proposes to modify the plans for surface reclamation approved on the APD, the operator must attach these modifications to the Subsequent Report of Plug and Abandon using Sundry Notices and Reports on Wells, Form 3160-5.